# 2005-2006 PERFORMANCE PLAN – SENIOR INVESTMENT OFFICER, ASSET ALLOCATION AND RISK MANAGEMENT (Pinkos)

## *Quantitative Performance Measures*

| Weight | Factor | Performance Measure | Incentive Schedule | Quarterly Status Report |
|---|---|---|---|---|
| 35% | Total Fund Performance | Excess return in basis points relative to total fund performance benchmark (SJ1C – CPERSTOT) | -40 basis points = 0<br>0 basis points = 1.0<br>+20 basis points = 1.5 | |
| **35%** | **Subtotal** | **Quantitative Measures** | | |

## *Qualitative Performance Measures*

| Weight | Factor | Performance Measure | Incentive Schedule | Quarterly Status Report |
|---|---|---|---|---|
| 15% | Asset Allocation | 1) Provide an assessment that enables a decision related to investing in inflation sensitive assets by 3/31/06.<br><br>2) Implement improvements in the sensitivity of the Asset Mix System to better distinguish between candidate asset mixes by 6/30/06. | From Schedule | 1) On Schedule<br><br>2) On Schedule |
| 20% | Risk Analysis | 1) Develop tools to monitor extreme value events at the asset class level by 3/31/06.<br><br>2) Evaluate and produce a comparative report on risk management best practices by 3/31/06.<br><br>3) Implement within RMS improved data and formula to proxy Real Estate and Alternative Investments by 6/30/06. | From Schedule | 1) On Schedule<br><br>2) On Schedule<br><br>3) On Schedule |

# 2005-2006 PERFORMANCE PLAN – SENIOR INVESTMENT OFFICER, ASSET ALLOCATION AND RISK MANAGEMENT (Pinkos) – Continued

*Qualitative Performance Measures continued*

| Weight | Factor | Performance Measure | Incentive Schedule | Quarterly Status Report |
|---|---|---|---|---|
| 25% | Risk Management System Implementation | Rollout Risk Measurement System, including training:<br>-to CIO & SIOs by 9/30/05<br>-to SPMs by 12/31/05<br>-to PMs by 6/30/06 | From Schedule | Completed CIO/SIO rollout by 9/30/05 |
| 5% | Diversity Plan | Implement all elements of the enterprise wide diversity plan that relate to the responsibilities of the investment office by 6/30/06. | From Schedule | On Schedule |
| **65%** | **Subtotal** | **Qualitative Measures** | | |
| **100%** | **Total** | **Quantitative and Qualitative Measures** | | |

**Supervisor's Approval:** Original signed by Mark Anson **Date:** November 30, 2005